

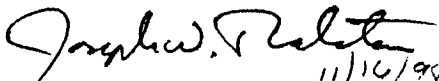
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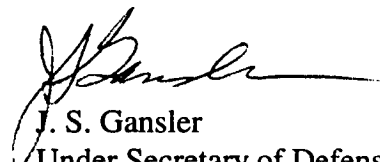
MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
ATTN: ACQUISITION EXECUTIVES
UNDER SECRETARY OF DEFENSE (POLICY)
ASSISTANT SECRETARY OF DEFENSE (COMMAND,
CONTROL, COMMUNICATIONS, AND INTELLIGENCE)
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
VICE CHIEF OF STAFF, ARMY
VICE CHIEF OF STAFF, AIR FORCE
VICE CHIEF OF NAVAL OPERATIONS
ASSISTANT COMMANDANT OF THE MARINE CORPS
DIRECTOR, OPERATIONAL TEST AND EVALUATION
DIRECTOR, BALLISTIC MISSILE DEFENSE ORGANIZATION
DIRECTOR, PROGRAM ANALYSIS AND EVALUATION
DEPUTY UNDER SECRETARY OF DEFENSE, ACQUISITION
REFORM

Subject: Establishment of an Oversight and Steering Group to Review the Adequacy of the Requirements Generation System to Fulfill Current and Future Acquisition Needs of the Department

Section 912c of the National Defense Authorization Act for Fiscal Year 1998 directs the Secretary of Defense to conduct a review of the organizations and functions of the Department of Defense acquisition activities and of the personnel required to carry out those functions. To that end, the Defense Management Council (DMC) will sponsor a study to determine what further improvements can and should be made in the requirements generation system to enhance integration with the acquisition management system.

Accordingly, we direct the establishment of an Oversight Group, chaired by the undersigned, and assisted by the Director for Force Structure, Resources, & Assessment of the Joint Staff (J-8), and the Principal Deputy Under Secretary of Defense (Acquisition & Technology), to evaluate the requirements system. A Steering Group, chaired by the Deputy Director for Force Structure, Resources, & Requirements of J-8, and the Director, Strategic & Tactical Systems, OUSD(A&T), will report to the Oversight Group. The charter for the Steering Group is attached. A final report will be provided to the Deputy Secretary of Defense, as specified in the attached charter, by February 26, 1999.


Joseph W. Ralston
General, USAF
Vice Chairman, Joint Chiefs of Staff


J. S. Gansler
Under Secretary of Defense
(Acquisition & Technology)

Attachment

CHARTER FOR THE REQUIREMENTS AND ACQUISITION STEERING GROUP

INTRODUCTION AND BACKGROUND

A major component of the Defense Reform Initiative (DRI) is the reform of business practices. Included in the DRI is a determination to ensure the translation of mission needs/requirements into stable, affordable, environmentally sound, technically feasible, and best-value solutions through a reexamination of the way DoD establishes its needs/requirements. The Defense Management Council will review the results of a study to determine what further improvements can and should be made in the requirements generation system (RGS) to enhance integration with the acquisition management system.

The current RGS provides a linkage with acquisition, planning, programming, budgeting, and program execution. It provides the interface between the acquisition community and the warfighter, and it supports the justification of the resources needed to accomplish the Department's programs.

However, although the basic RGS has clearly served the warfighters' needs, improvements have been and will continue to be made. One of the most significant improvements has been an emphasis on integrated team reviews through the Joint Warfare Capability Assessment process. Additional improvements are desired to ensure that the RGS more effectively interfaces with the acquisition process.

AUTHORITY AND DIRECTION

The Director for Force Structure, Resources, & Assessment) of the Joint Staff (J-8) and the Principal Deputy Under Secretary of Defense (Acquisition & Technology) shall assist the Under Secretary of Defense for Acquisition and Technology, and the Vice Chairman, Joint Chiefs of Staff by being part of an Oversight Group to review and resolve any interface problems that exist between the RGS and the acquisition management system in order to fulfill current and future acquisition needs of the Department. A Steering Group, chaired by the Deputy Director for Force Structure, Resources, & Requirements, J-8, and the Director, Strategic & Tactical Systems, OUSD(A&T), for the effort will report to the Oversight Group. Steering Group membership shall include representatives from the Office of the Secretary of Defense staff (including C3I, Operational Test & Evaluation, Program Analysis and Evaluation, Acquisition Reform, Acquisition Program Integration, and other appropriate A&T offices), the Military Departments (including Program Managers, Program Executive Officers, and requirements officers), the Joint Staff, the Special Operations Command, and the Ballistic Missile Defense Organization. The steering group will be supported by a working group, chaired by the representatives of the Deputy Director for Force Structure, Resources, & Requirements, J-8, and the Director, Strategic & Tactical Systems, OUSD(A&T). It will have the same representation as the Steering Group.

STUDY OBJECTIVES

The Steering Group will (a) review the adequacy of the RGS to ensure an efficient interface with the acquisition needs of the Department, (b) examine areas where the RGS could be changed to improve its support of current and future warfighters' needs, and (c) provide recommendations. Areas to be considered include, but are not limited to:

- a. Increased program stability by actions such as:
 - examining how new starts (including programs initiated following Advanced Concept Technology Demonstration (ACTDs)) enter the requirements generation and acquisition processes
 - considering how to make investment decisions between new systems and modifications/upgrades to current systems
 - considering how affordability (especially total ownership cost) is considered in the requirements process, to include the use of the cost as an independent variable (CAIV) process, the role of acquisition program baselines in establishing cost limits, and the use of the Defense Program Projection (DPP) as a tool for anticipating future programs and as an effort to mitigate future "bow waves"
- b. Increased requirements flexibility for program managers by actions such as:
 - establishing evolving requirements consistent with a spiral development approach
 - examining the effects of streamlined acquisition processes (e.g., ACTDs, warfighting experiments, ATDs, etc.), aimed at shortening cycle times, on the requirements generation system and documentation
 - considering and fielding emergency requirements
- c. Increased information flow between the requirements and the acquisition communities, including increased use of automation in requirements generation
- d. Enhancing the process for establishing requirements, especially joint requirements for all programs including those less than major defense acquisition programs, by
 - considering an integrated process for establishing requirements
 - increasing the use of market research in establishing requirements
- e. Improving the education and training of requirements developers and acquisition personnel by, for example, considering rotational assignments between users, schools, and program offices
- f. Identifying expected outcomes and metrics for both warfighters and the acquisition community to coincide with study recommendation implementation.

SCHEDULE

Representatives to the Steering Group and the working group should be provided to the working group co-chair Spiros Pallas, pallassg@acq.osd.mil, no later than one week after the date of the cover memorandum. Mike Paysan, is the J-8 working group co-chair. The Steering Group shall report its conclusions and recommendations to the Deputy Secretary of Defense by February 26, 1999. They will provide interim reports on its progress to the Oversight Group each 60 days after the effort begins. A draft report will be prepared for DMC review by January 29, 1999.